

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6428

BILL NUMBER: SB 126

NOTE PREPARED: Jan 21, 2010

BILL AMENDED: Jan 19, 2010

SUBJECT: Merger of Rural Electric and Telephone Cooperatives.

FIRST AUTHOR: Sen. Gard

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill allows one or more Rural Electric Membership Corporations (REMCs) to merge or consolidate with one or more rural telephone cooperative corporations to form a surviving corporation (in the case of a merger) or a successor corporation (in the case of a consolidation). It provides that a surviving corporation or successor corporation: (1) is considered to be both an REMC and a telephone cooperative corporation; and (2) has all the rights, powers, privileges, immunities, and exemptions of an REMC and a telephone cooperative corporation.

It sets forth provisions concerning the following with respect to a surviving corporation or successor corporation: (1) Articles of incorporation and bylaws. (2) Selection of the board of directors. (3) General and enumerated powers of the board and the surviving corporation or successor corporation. (4) Members and meetings of members. (5) Obligations and liabilities of the surviving corporation or successor corporation. (6) The acquisition and disposition of property. (7) Articles of dissolution. (8) Charges for services rendered. (9) The jurisdiction of the Indiana Utility Regulatory Commission (IURC).

Effective Date: July 1, 2010.

Explanation of State Expenditures: The merger of an REMC and a telephone cooperative is to be filed with the Secretary of State. The Secretary of State should be able to carry out this requirement within its existing level of resources.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Secretary of State.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Jessica Harmon, 317-232-9854.